

**STATE OF ILLINOIS
SANGAMON COUNTY REGIONAL OFFICE
OF EDUCATION NO. 51**

**FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2008**

**Performed as Special Assistant Auditors
For the Auditor General, State of Illinois**



CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51

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**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
OFFICIALS**

Regional Superintendent	Ms. Helen Tolan (Current and during audit period)
Assistant Regional Superintendents	Mr. Gary Sullivan (July 1, 2007 – December 31, 2007) Mr. Charles Flamini (January 1, 2008 – June 30, 2008)

Offices are located at:
200 South Ninth Street
Room 303 County Complex
Springfield, Illinois 62701-1629

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
COMPLIANCE REPORT SUMMARY**

The compliance audit testing performed during this audit was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITORS' REPORTS

The auditors' reports on compliance and on internal controls do not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	1
Repeated audit findings	1	0
Prior recommendations implemented or not repeated	0	1

Details of audit findings are presented in a separately tabbed report section.

An additional 3 matters which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

Item No.	Pages	Description	Finding Type
Findings (<i>Government Auditing Standards</i>)			
08-01	12-13	Controls Over Financial Statement Preparation	Material Weakness
08-02	14-15	Controls Over Institute Fund Expenditures	Significant Deficiency

Findings and Questioned Costs (Federal Compliance)

None.

Prior Audit Findings not Repeated (*Government Auditing Standards*)

None noted.

Prior Audit Findings not Repeated (Federal Compliance)

None noted.

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with ROE personnel at an informal exit conference on February 4, 2009 at ROE No. 51. Attending were Helen Tolan, Regional Superintendent, and Mimi Power, Bookkeeper, from ROE No. 51, and Leslie Ruyle, Manager from Sikich LLP. Responses to the recommendations were provided by Helen Tolan, Regional Superintendent, on February 20, 2009.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
FINANCIAL STATEMENT REPORT
SUMMARY**

The audit of the accompanying basic financial statements of the Sangamon County Regional Office of Education No. 51 was performed by Sikich LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Sangamon County Regional Office of Education No. 51's basic financial statements.



Independent Auditors' Report

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon County Regional Office of Education No. 51, as of and for the year ended June 30, 2008, which collectively comprise the Sangamon County Regional Office of Education No. 51's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sangamon County Regional Office of Education No. 51's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon County Regional Office of Education No. 51, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 9, 2009 on our consideration of the Sangamon County Regional Office of Education No. 51's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 20 through 26 and 62, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sangamon County Regional Office of Education No. 51's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sikich LLP

Springfield, Illinois
March 9, 2009



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon County Regional Office of Education No. 51, as of and for the year ended June 30, 2008, which collectively comprise the Sangamon County Regional Office of Education No. 51's basic financial statements and have issued our report thereon dated March 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sangamon County Regional Office of Education No. 51's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sangamon County Regional Office of Education No. 51's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sangamon County Regional Office of Education No. 51's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting

principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting (08-01 and 08-02).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, of the significant deficiencies described above, we consider item 08-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sangamon County Regional Office of Education No. 51's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 08-02.

We also noted certain matters which we have reported to management of the Sangamon County Regional Office of Education No. 51 in a separate letter dated March 9, 2009.

Regional Office of Education No. 51's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Regional Office of Education No. 51's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Springfield, Illinois
March 9, 2009



**Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Sangamon County Regional Office of Education No. 51 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Sangamon County Regional Office of Education No. 51's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Sangamon County Regional Office of Education No. 51's management. Our responsibility is to express an opinion on the Sangamon County Regional Office of Education No. 51's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sangamon County Regional Office of Education No. 51's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Sangamon County Regional Office of Education No. 51's compliance with those requirements.

In our opinion, the Sangamon County Regional Office of Education No. 51 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Sangamon County Regional Office of Education No. 51 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Sangamon County Regional Office of Education No. 51's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sangamon County Regional Office of Education No. 51's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Springfield, Illinois
March 9, 2009

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2008**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: *unqualified*

Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified that are not considered to be material weaknesses? yes no

Type of auditor’s report issued on compliance for major programs: *unqualified*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.357A	Title I - Reading First Part B SEA Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes no

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2008**

FINDING NO. 08-01 – Controls Over Financial Statement Preparation (Repeat of prior year finding 07-01)

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 51 (ROE) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

CONDITION:

The ROE does not have sufficient internal controls over the financial reporting process. The ROE maintains their accounting records on the cash basis of accounting. While the ROE maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the ROE's accounting records, noted the following:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of grants receivable or deferred revenues. While the Regional Office did maintain records of accounts payable and accounts receivable, no entries were provided to reconcile the Regional Office's grant activity, such as posting grant receivables and deferred revenues.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2008**

FINDING NO. 08-01 – Continued

EFFECT:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

CAUSE:

According to ROE officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

RECOMMENDATION:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 51 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the ROE's activities and operations.

MANAGEMENT'S RESPONSE:

The ROE maintains accounting records on the cash basis of accounting. While the ROE maintains controls over the processing of most accounting transactions, there will be more stringent controls over the preparation of the GAAP based financial statements. Specifically, the ROE will furnish comprehensive accounts receivable and accounts payable listings, including all grant receivables and deferred revenues.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2008**

FINDING NO. 08-02 – Controls Over Institute Fund Expenditures

CRITERIA/SPECIFIC REQUIREMENT:

The Illinois School Code 105 ILCS 5/3-12 states that all certificate registration fees and a portion of renewal and duplicate fees shall be used by the Regional Superintendent to defray expenses associated with the work of the regional professional development review committees, to defray expenses connected with improving technology necessary for the efficient processing of certificates, and to defray expenses incidental to teachers' institutes, workshops or meetings of a professional nature that are designed to promote the professional growth of teachers or for the purpose of defraying the expense of any general or special meeting of teachers or school personnel of the region, which has been approved by the Regional Superintendent.

CONDITION:

The Regional Office of Education No. 51 expended \$5,232 of funds generated from certification, renewal, and duplicate fees to purchase five computers, of which only one computer was used specifically for certification activities.

EFFECT:

The Regional Office of Education No. 51 did not comply with statutory requirements.

CAUSE:

The Regional Office of Education No. 51 was unaware that these purchases were not made in accordance with the Illinois School Code 105 ILCS 5/3-12.

RECOMMENDATION:

The Regional Office of Education No. 51 should ensure that funds generated from certification, renewal, and duplicate fees are expended in accordance with the Illinois School Code 105 ILCS 5/3-12.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2008**

FINDING NO. 08-02 – Continued

MANAGEMENT’S RESPONSE:

The ROE expended funds from the Institute Fund for payment of computer updates for only employees who provide certification to Sangamon County teachers. The ROE’s interpretation of Section 5/3-12 of the Illinois School Code, regarding Institute Fund, which allows the ROE “to defray expenses connected with improving the technology necessary for the efficient processing of certificates,” did not comply with Illinois State Board of Education’s opinion that only the Certification Specialist computer upgrade would qualify for 100% funding through the Institute Fund. In an effort to provide uninterrupted services for our teachers, the certification specialist and four support employees of the ROE can accept registration fee payments, certification applications and fees, and provide information to applicants by accessing the ISBE/TCIS online system. Institute Funds were used to update only the computers used by the five employees who are trained to provide certification services. Future technology upgrades for support employees will be allocated on a percentage of use basis from the Institute Fund.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2008**

INSTANCES OF NON COMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2008**

Corrective Action Plan

FINDING 08-01 – Controls Over Financial Statement Preparation

CONDITION:

The ROE does not have sufficient internal controls over the financial reporting process. The ROE maintains their accounting records on the cash basis of accounting. While the ROE maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the ROE's accounting records, noted the following:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of grants receivable or deferred revenues. While the Regional Office did maintain records of accounts payable and accounts receivable, no entries were provided to reconcile the Regional Office's grant activity, such as posting grant receivables and deferred revenues.

PLAN:

The Regional Office of Education understands the nature of this finding and realizes that the circumstance is not unusual in an organization of this size. The Regional Office of Education staff has a reasonable understanding of the financial statements and can determine that the information in the financial statement is accurate, however, lacks the ability to prepare the notes to the financial statements. The recommendation of Sikich LLP that "such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the ROE's activities and operations," has been noted by this office. We will continue to work with the other Regional Offices of Education to determine the most effective method of ensuring that our employees possess the knowledge required to compile the necessary GAAP based financial statements.

ANTICIPATED DATE OF COMPLETION:

June 30, 2009

CONTACT PERSON:

Helen Tolan, Regional Superintendent

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2008**

Corrective Action Plan

FINDING 08-02 – Controls Over Institute Fund Expenditures

CONDITION:

The Regional Office of Education No. 51 expended \$5,232 of funds generated from certification, renewal, and duplicate fees to purchase five computers, of which only one computer was used specifically for certification activities.

PLAN:

The Regional Office of Education No. 51 will ensure that funds generated from certification, renewal, and duplicate fees are expended in accordance with the Illinois School Code 105 ILCS 5/3-12.

ANTICIPATED DATE OF COMPLETION:

June 30, 2009

CONTACT PERSON:

Helen Tolan, Regional Superintendent

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2008**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
07-01	The ROE does not have sufficient internal controls over the financial reporting process.	Repeated.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Sangamon County Regional Office of Education No. 51 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

This report will include past year financial activity, along with fiscal year 2008 activity, making comparisons of the financial position and results of operations more meaningful.

2008 FINANCIAL HIGHLIGHTS

General Fund revenues decreased from \$645,857 in fiscal year 2007 to \$496,272 in fiscal year 2008, while General Fund expenditures decreased from \$534,335 in fiscal year 2007 to \$533,202 in fiscal year 2008. The Regional Office experienced a decrease in the General Fund balance from \$422,390 in fiscal year 2007 to \$383,461 in fiscal year 2008.

The decrease in General Fund revenues and expenses is attributable to a decrease in flow-through funds for the System of Support Program, along with a decrease in Administrative Fees received from grant programs, and interest earned on fund balances.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Office's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Sangamon County Regional Office of Education No. 51 as a whole and present an overall view of the Office's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Supplementary Information further explains and supports the financial statements with a comparison of the Office's detailed information for each category of funds and also provides detailed information about the non-major funds.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Reporting the Agency as a Whole

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Sangamon County Regional Office of Education No. 51 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Sangamon County ROE No. 51 assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Office's net assets and how they have changed. Net assets – the difference between the assets and liabilities – are one way to measure the Office's financial health or position.

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level need to be considered.

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education No. 51 established other funds to control and manage money for particular purposes.

The Office has three kinds of Fund classifications:

- 1) Governmental funds account for a majority of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The Office's governmental funds include: the General Fund and the Special Revenue Funds.

The governmental fund's required financial statements include a Balance Sheet and a Statement of Revenue, Expenditures and Changes in Fund Balances.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

- 2) Proprietary funds account for services for which the Regional Office of Education No. 51 charges fees under a cost-reimbursement method. These fees cover the costs of certain services and workshops it provides.

The proprietary fund's required financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows.

- 3) Fiduciary funds account for services for which the Sangamon County Regional Office of Education No.51 acts as fiscal agent for individuals and private or governmental organizations.

The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

A summary reconciliation between the government-wide financial statements and the fund financial statements is included in the basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. Sangamon County Regional Office of Education No. 51's net assets at the end of fiscal year 2007 totaled approximately \$1,262,065. At the end of fiscal year 2008, the net assets were approximately \$1,317,186. The analysis that follows provides a summary of the Office's net assets at June 30, 2008 and 2007.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

**CONDENSED STATEMENT OF NET ASSETS
June 30, 2008 and 2007**

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
ASSETS						
Current assets	\$ 1,641,643	\$ 1,432,107	\$ (298)	\$10,615	\$ 1,641,345	\$ 1,442,722
Capital assets, net of depreciation	<u>19,948</u>	<u>17,260</u>	<u>-</u>	<u>-</u>	<u>19,948</u>	<u>17,260</u>
TOTAL ASSETS	<u>\$ 1,661,591</u>	<u>\$ 1,449,367</u>	<u>\$ (298)</u>	<u>\$10,615</u>	<u>\$ 1,661,293</u>	<u>\$ 1,459,982</u>
LIABILITIES						
Current liabilities	\$ 336,502	\$ 187,895	\$ 2,500	\$ 600	\$ 339,002	\$ 188,495
Compensated absences	<u>5,105</u>	<u>9,422</u>	<u>-</u>	<u>-</u>	<u>5,105</u>	<u>9,422</u>
TOTAL LIABILITIES	<u>341,607</u>	<u>197,317</u>	<u>2,500</u>	<u>600</u>	<u>344,107</u>	<u>197,917</u>
NET ASSETS						
Investments in capital assets, net of related debt	19,948	17,260	-	-	19,948	17,260
Unrestricted	1,079,330	1,026,479	(2,798)	10,015	1,076,532	1,036,494
Restricted for teacher professional development	<u>220,706</u>	<u>208,311</u>	<u>-</u>	<u>-</u>	<u>220,706</u>	<u>208,311</u>
TOTAL NET ASSETS	<u>\$ 1,319,984</u>	<u>\$ 1,252,050</u>	<u>\$ (2,798)</u>	<u>\$10,015</u>	<u>\$ 1,317,186</u>	<u>\$ 1,262,065</u>

The Regional Office of Education's net assets increased by \$55,121 from Fiscal Year 2007 to Fiscal Year 2008. This increase occurred in the Governmental Funds due to an increase in grant funding for the Sangamon County Truants Alternative Optional Educational Program.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

The following analysis shows the changes in net assets for the years ended June 30, 2008 and 2007.

**CHANGES IN NET ASSETS
For the Years Ended June 30, 2008 and 2007**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program revenues:						
Charges for services	\$ 89,783	\$ 123,474	\$ 49,715	\$43,973	\$ 139,498	\$ 167,447
Operating grants & contributions	1,822,865	2,693,183	-	-	1,822,865	2,693,183
General Revenues:						
Local sources	250,339	361,789	-	-	250,339	361,789
On-behalf payments	308,743	247,805	-	-	308,743	247,805
Investment Income	38,718	59,858	-	-	38,718	59,858
Total revenues	<u>2,510,448</u>	<u>3,486,109</u>	<u>49,715</u>	<u>43,973</u>	<u>2,560,163</u>	<u>3,530,082</u>
Expenses:						
Salaries and benefits	1,222,738	1,241,119	33,997	37,109	1,256,735	1,278,228
Purchased services	784,453	972,882	27,324	16,975	811,777	989,857
Supplies and materials	119,140	795,555	1,207	666	120,347	796,221
Depreciation	7,378	9,132	-	-	7,378	9,132
Capital outlay	-	49,802	-	-	-	49,802
Transfers-payments to						
Other governmental units	62	184	-	-	62	184
On-behalf payments	<u>308,743</u>	<u>247,805</u>	<u>-</u>	<u>-</u>	<u>308,743</u>	<u>247,805</u>
Total expenses	<u>2,442,514</u>	<u>3,316,479</u>	<u>62,528</u>	<u>54,750</u>	<u>2,505,042</u>	<u>3,371,229</u>
Change in net assets	<u>67,934</u>	<u>169,630</u>	<u>(12,813)</u>	<u>(10,777)</u>	<u>55,121</u>	<u>158,853</u>
Net Assets – beginning	<u>1,252,050</u>	<u>1,082,420</u>	<u>10,015</u>	<u>20,792</u>	<u>1,262,065</u>	<u>1,103,212</u>
Net Assets – ending	<u>\$ 1,319,984</u>	<u>\$ 1,252,050</u>	<u>\$ (2,798)</u>	<u>\$10,015</u>	<u>\$ 1,317,186</u>	<u>\$ 1,262,065</u>

Governmental Activities

Revenues for governmental activities were \$2,510,448 and expenses were \$2,442,514. These figures are lower due to the one-time Reading First grant procured by the Office in fiscal year 2007, and are not indicative of future activities.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Business-Type Activities

Revenues for the Regional Office of Education No. 51's business-type activities and expenses combined for a balance of \$(2,798). The Regional Office is committed to providing quality professional development opportunities for Sangamon County teachers, at a reasonable cost, while maintaining the integrity of the fund. The SDC Workshop Fund is designed to be self-supporting by setting fee schedules that will support expenses incurred to provide professional development workshops for area teachers. Fees will be adjusted from year to year to parallel fund activity.

Financial Analysis of the Regional Office of Education No. 51 Funds

As previously noted, the Regional Office of Education No. 51 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Office's governmental funds reported combined fund balances of \$1,305,141, above last year's ending fund balance of \$1,244,212. The primary reason for the increase in combined fund balances in fiscal year 2008 was due to an increase in grant funding for the Sangamon County Truants Alternative Optional Educational Program.

Governmental Fund Highlights

- In 2003, the Governor of the State of Illinois line item vetoed a portion of the state financial support for school services. This veto resulted in a 51% reduction in dollars received. This reduction in funding continued for 2007-2008.
- County support for the Regional Office of Education No. 51 decreased approximately 5%, to \$269,322.
- Although many grant funds have decreased, the Regional Office of Education No. 51 was successful in obtaining continued funding for the Reading First Grant, through fiscal year 2009.

BUDGETARY HIGHLIGHTS

The Regional Office of Education No. 51 annually adopts budgets for several funds when required by the granting agency. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board members for their approval. The Sangamon County Office Operations Budget covers a fiscal year of December 1 through November 30. All grant budgets are prepared by the Regional Office of Education No. 51 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the supplementary information of this report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Capital Assets

Capital Assets of the Regional Office of Education No. 51 include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office of Education No. 51 maintains an inventory of capital assets which have been accumulated over time. The increase for fiscal year 2008 is a result of the need for an updated computer server to support the new online classes offered in our Regional Safe School and Sangamon County Truants Alternative Optional Educational Programs. The Regional Office of Education No. 51's ending net capital asset balance for fiscal year 2008 is \$19,948 which is the total original cost of the capital assets less accumulated depreciation. More detailed information about capital assets is available in Note No. 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Office was aware of several existing circumstances that could significantly affect its financial health in the future:

- The State of Illinois Foundation level used in the calculation increased to \$5,709 per student for fiscal year 2008.
- The interest rate on investments remains low and will impact interest earned.
- Several grants have remained near or at previous funding levels. In addition, the School Services funding levels have been reduced.
- County Board support of the Regional Office of Education No. 51 will remain the same as the 2008 funding level.
- The Regional Office of Education No. 51 was successful in obtaining another Reading First Project grant for FY 2009.
- The number of students served by the Regional Office of Education No. 51 is expected to increase.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education No. 51, at 200 South 9th St., Room 303, Springfield, IL 62701.

BASIC FINANCIAL STATEMENTS

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
STATEMENT OF NET ASSETS
June 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,463,548	\$ -	\$ 1,463,548
Due from other governmental units and agencies	177,497	300	177,797
Due from (to) other funds	<u>598</u>	<u>(598)</u>	<u>-</u>
Total current assets	1,641,643	(298)	1,641,345
NONCURRENT ASSETS			
Capital assets, net of depreciation	<u>19,948</u>	<u>-</u>	<u>19,948</u>
TOTAL ASSETS	<u>1,661,591</u>	<u>(298)</u>	<u>1,661,293</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	266,703	2,500	269,203
Deferred revenue	66,519	-	66,519
Due to other governmental units and agencies	<u>3,280</u>	<u>-</u>	<u>3,280</u>
Total current liabilities	336,502	2,500	339,002
NONCURRENT LIABILITIES			
Compensated absences	<u>5,105</u>	<u>-</u>	<u>5,105</u>
TOTAL LIABILITIES	<u>341,607</u>	<u>2,500</u>	<u>344,107</u>
NET ASSETS			
Invested in capital assets, net of related debt	19,948	-	19,948
Restricted for teacher professional development	220,706	-	220,706
Unrestricted	<u>1,079,330</u>	<u>(2,798)</u>	<u>1,076,532</u>
TOTAL NET ASSETS	<u>\$ 1,319,984</u>	<u>\$ (2,798)</u>	<u>\$ 1,317,186</u>

The notes to the financial statements are an integral part of this statement.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 1,222,738	\$ 10,391	\$ 1,122,920	\$ (89,427)	\$ -	\$ (89,427)
Purchased services	784,453	79,392	582,821	(122,240)	-	(122,240)
Supplies and materials	119,140	-	116,963	(2,177)	-	(2,177)
Depreciation	7,378	-	-	(7,378)	-	(7,378)
Transfers - payments to other governmental units	62	-	161	99	-	99
Administrative:						
On-behalf payments	308,743	-	-	(308,743)	-	(308,743)
Total Governmental Activities	2,442,514	89,783	1,822,865	(529,866)	-	(529,866)
Business-type Activities:						
Other	62,528	49,715	-	-	(12,813)	(12,813)
Total Business-type Activities	62,528	49,715	-	-	(12,813)	(12,813)
Total Primary Government	\$ 2,505,042	\$ 139,498	\$ 1,822,865	(529,866)	(12,813)	(542,679)
General Revenues:						
Local sources				250,339	-	250,339
On-behalf payments				308,743	-	308,743
Investment income				38,718	-	38,718
Total General Revenues				597,800	-	597,800
Change in net assets				67,934	(12,813)	55,121
Net Assets - beginning				1,252,050	10,015	1,262,065
Net Assets (Deficit) - ending				\$ 1,319,984	\$ (2,798)	\$ 1,317,186

The notes to the financial statements are an integral part of this statement.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2008

	General Fund	Education Fund	Teacher Institute Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 363,801	\$ 845,415	\$ 224,948	\$ 29,384	\$ 1,463,548
Due from other governmental units and agencies	22,632	136,333	-	18,532	177,497
Due from other funds	-	120,396	-	-	120,396
	<u>\$ 386,433</u>	<u>\$ 1,102,144</u>	<u>\$ 224,948</u>	<u>\$ 47,916</u>	<u>\$ 1,761,441</u>
TOTAL ASSETS					
 LIABILITIES AND FUND BALANCE					
LIABILITIES					
Due to other funds	\$ -	\$ 119,798	\$ -	\$ -	\$ 119,798
Accounts payable	654	260,703	4,242	1,104	266,703
Deferred revenue	-	66,519	-	-	66,519
Due to other governmental units and agencies	2,318	962	-	-	3,280
Total liabilities	<u>2,972</u>	<u>447,982</u>	<u>4,242</u>	<u>1,104</u>	<u>456,300</u>
 FUND BALANCE					
Unreserved and undesignated					
General fund	383,461	-	-	-	383,461
Special revenue funds	-	654,162	220,706	46,812	921,680
Total fund balance	<u>383,461</u>	<u>654,162</u>	<u>220,706</u>	<u>46,812</u>	<u>1,305,141</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 386,433</u>	<u>\$ 1,102,144</u>	<u>\$ 224,948</u>	<u>\$ 47,916</u>	<u>\$ 1,761,441</u>

The notes to the financial statements are an integral part of this statement.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2008

Total fund balances - governmental funds	\$ 1,305,141
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	19,948
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(5,105)</u>
Net assets of governmental activities	<u>\$ 1,319,984</u>

The notes to the financial statements are an integral part of this statement.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2008**

	General Fund	Education Fund	Teacher Institute Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES					
State sources	\$ 99,518	\$ 1,098,892	\$ -	\$ 2,440	\$ 1,200,850
Federal sources	-	622,015	-	-	622,015
Local sources	156,064	49,550	44,725	89,783	340,122
Investment income	11,054	20,891	6,773	-	38,718
On-behalf payments	229,636	79,107	-	-	308,743
	<u>496,272</u>	<u>1,870,455</u>	<u>51,498</u>	<u>92,223</u>	<u>2,510,448</u>
Total revenues					
EXPENDITURES					
Instructional services:					
Salaries and benefits	177,963	1,040,068	-	9,024	1,227,055
Purchased services	111,555	583,040	38,818	51,040	784,453
Supplies and materials	1,715	86,004	-	-	87,719
Transfers - payments to other governmental units	-	62	-	-	62
On-behalf payments	229,636	79,107	-	-	308,743
Capital outlay	12,333	28,869	285	-	41,487
	<u>533,202</u>	<u>1,817,150</u>	<u>39,103</u>	<u>60,064</u>	<u>2,449,519</u>
Total expenditures					
Revenues over (under) expenditures	<u>(36,930)</u>	<u>53,305</u>	<u>12,395</u>	<u>32,159</u>	<u>60,929</u>
Other financing sources (uses)					
Transfers in	-	1,999	-	-	1,999
Transfers out	<u>(1,999)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,999)</u>
Total other financing sources (uses)	<u>(1,999)</u>	<u>1,999</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(38,929)	55,304	12,395	32,159	60,929
FUND BALANCE, BEGINNING OF YEAR	<u>422,390</u>	<u>598,858</u>	<u>208,311</u>	<u>14,653</u>	<u>1,244,212</u>
FUND BALANCE, END OF YEAR	<u>\$ 383,461</u>	<u>\$ 654,162</u>	<u>\$ 220,706</u>	<u>\$ 46,812</u>	<u>\$ 1,305,141</u>

The notes to the financial statements are an integral part of this statement.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008**

Net change in fund balances	\$ 60,929
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 10,066	
Depreciation expense	<u>(7,378)</u>	2,688

Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

	<u>4,317</u>
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Change in net assets of governmental activities	<u><u>\$ 67,934</u></u>
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SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2008

	<u>Business-type Activities Enterprise Funds</u>
	<u>SDC Workshop</u>
Assets	
Current assets	
Due from other governments	\$ 300
Total Assets	<u>300</u>
Liabilities	
Accounts payable	2,500
Due to other funds	<u>598</u>
Total Liabilities	<u>3,098</u>
Net Assets	
Unrestricted	<u><u>\$ (2,798)</u></u>

The notes to the financial statements are an integral part of this statement.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended June 30, 2008

	<u>Business-type Activities Enterprise Funds</u>
	<u>SDC Workshop</u>
Operating Revenues	
Charges for services	<u>\$ 49,715</u>
Operating Expenses	
Salaries and benefits	33,997
Purchased services	27,324
Supplies and materials	<u>1,207</u>
Total operating expenses	<u>62,528</u>
Change in Net Assets	(12,813)
Net Assets, Beginning of year	<u>10,015</u>
Net Assets (Deficit), End of year	<u><u>\$ (2,798)</u></u>

The notes to the financial statements are an integral part of this statement.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2008

	Business-type Activities Enterprise Funds
	SDC Workshop
Cash Flows from Operating Activities:	
Receipts from customers	\$ 49,415
Payments to suppliers and providers of goods and services	(26,033)
Payments to employees	(33,997)
Net cash used for operating activities	(10,615)
Net decrease in cash and cash equivalents	(10,615)
Cash and cash equivalents - Beginning of year	10,615
Cash and cash equivalents - End of year	\$ -
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating loss	\$ (12,813)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
(Increase)/Decrease in assets:	
Due from other governments	(300)
Increase/(Decrease) in liabilities:	
Accounts payable	1,900
Due to other funds	598
Net cash used for operating activities	\$ (10,615)

The notes to the financial statements are an integral part of this statement.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2008

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 154,937
TOTAL ASSETS	\$ 154,937
 LIABILITIES	
Due to other governmental units and agencies	\$ 154,937
TOTAL LIABILITIES	\$ 154,937

The notes to the financial statements are an integral part of this statement.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Sangamon County Regional Office of Education No. 51 (ROE) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies.

Reporting Entity

The ROE operates under the School Code (Articles 5/3 and 5/3A of *Illinois Compiled Statutes*, Chapter 105). The ROE encompasses Sangamon County, Illinois. The Regional Superintendent of Schools (Superintendent) serves as chief administrative officer of the ROE and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105. The principal financial duty of the Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The Regional Superintendent is charged with the responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teacher meetings and assist in their management; evaluate the schools in the region; examine school treasurer's books, accounts, and vouchers; examine evidence of indebtedness; file and keep returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 51 districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action that may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the Illinois State Board of Education with an affidavit showing that the treasurers of school districts under his control are properly bonded.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for districts in the region, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2008, the Regional Office of Education No. 51 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 51. Such activities are reported as a single major special revenue fund (Education Fund).

The ROE's financial statements include all funds of the ROE.

These are the only activities considered to be part of (controlled by or dependent on) the ROE, as determined by the application of the criteria set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. The criteria for inclusion of an entity include, but are not limited to, legal standing, fiscal dependency, imposition of will, and potential for financial benefit or burden.

The ROE has determined no other outside agency meets any of the above criteria and, therefore, no other agency has been included as a component unit in the ROE's financial statements.

Furthermore, the ROE does not consider itself to be a component unit of any other entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

The Statement of Net Assets includes all of the ROE's assets and liabilities, including capital assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported in a single column.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay current liabilities. The ROE considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences are recorded only when payment is due.

Revenues from local sources consist primarily of fees charged to school districts for services rendered by the ROE. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Grant funds from the State of Illinois are considered to be earned to the extent of expenditures made under the provisions of the grant. Investment earnings are recorded as earned since they are measurable and available.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the Statement of Net Assets. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The accrual basis of accounting is utilized by the proprietary fund type. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Under the provisions of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the ROE applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

When both restricted and unrestricted resources are available for use, it is the ROE's policy to use restricted resources first, then unrestricted resources as they are needed.

The ROE reports the following major governmental funds:

General Fund – The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for in another fund. The ROE's General Fund accounts include the following:

Local – These funds are generated through interest and fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators and are used to assist in providing for the needs of the Staff Development Center (SDC) not funded through State or county dollars.

Administrative Discretionary – These funds are generated through interest and fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators and are used to assist in providing for the needs of the ROE not funded through State or county dollars.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

ROE/ISC Operations – These funds are provided, by the Illinois State Board of Education, through a budget application process, to Regional Offices to provide staff development to district schools and teachers. The SDC offers Administrator Academy activities, School Improvement initiatives, and staff development opportunities in the areas of reading, math, science and technology. Monies are used for overhead costs and salaries of employees at the Staff Development Center.

Education Fund – The Education Fund includes proceeds from specific revenue sources (generally all State and federal grants except Supervisory Expense and ROE/ISC Operations) that are legally restricted to expenditures for specified purposes. The ROE's Education Fund accounts include the following:

Regional Safe School – These funds provide programs for disruptive students who are eligible for suspension or expulsion. The programs provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.

Title V – Innovative Program – This program supports local education reform efforts that are consistent with and sustain statewide reform efforts; implement promising education reform programs, provide for innovative and educational improvement and assist in meeting the needs of at-risk and high-cost students.

Transition Outreach Training for Adult Living (TOTAL) Program – This initiative provides training and technical assistance to individuals who work with secondary-age students who receive special education services.

School Directory – These funds provide a directory that is published annually and distributed to all Sangamon County Schools. The directory includes employee listings, enrollment and demographic information for all Sangamon County Schools, public and private.

Kindergarten Learning Standards – These funds were generated through collaboration between the Illinois State Board of Education and kindergarten teachers throughout the State. This was the first opportunity for kindergarten teachers and administrators to access the new standards specifically designed for kindergarten. In addition to releasing the standards on Kindergarten Day, training sessions on the standards are being provided at various locations throughout the state in collaboration with the Illinois State Board of Education and Regional Offices of Education.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Preschool for All – The funds were generated to provide educational services to all 3- to 5-year-old children whose families choose to participate to ensure that all Illinois children develop a strong foundation for learning.

Sangamon County Truants Alternative Optional Education Program (TAOEP) – This program is devoted to ensuring that each referred at-risk student will be provided with individualized educational and supplemental services that meet the holistic needs of the student in the pursuit of their educational development. TAOEP offerings include: identification of at-risk students and dropouts, truancy intervention services, academic intervention and remediation, parental skills development, and network with community agencies and businesses.

Illinois Student Exchange – This exchange program is run by the Illinois State Board of Education. It sends American students to Japan and brings Japanese students to our country. The ROE serves as administrative agent for this program.

Title I Reading First Part B SEA Funds – This program is designed to plan and implement Reading First Academies and provide professional development for teachers in schools that are participating in the Reading First program.

McKinney Education for Homeless Children – This grant provides funds for providing information to schools, community members, and government entities about the educational rights of homeless students.

Area III Homeless Liaison Project – The Homeless Education Liaison helps assist Sangamon County families overcoming barriers as well as achieving their rights by ensuring immediate school enrollment, promoting regular school attendance, and transportation.

Standards Aligned Classroom (SAC) – The Standards Aligned Classroom initiative helps educators rethink the relationship between assessment and effective schools. It centers on how we assess student achievement, and how we use assessment in the service of student success. Six teams from Sangamon County participate in the SAC initiative. Team meetings are held to help teachers align their curriculum with the Illinois Learning Standards and develop appropriate assessment using the Stiggins book and resources.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Certificate Renewal – This grant is provided by the Illinois State Board of Education to assist local professional development committees in fulfilling their responsibilities.

Illinois Department of Public Health (IDPH) Dental Sealant – This Illinois Department of Public Health grant provides funding to assist in providing a tooth sealant program for low income students in Sangamon County.

Background Checks – The ROE provides background checks/fingerprinting to all schools in Sangamon County for new hires. The schools send requests to the ROE, who forwards background check information to the Illinois State Police database. The fee for the background check and/or fingerprinting is paid by each school district.

Early School Leaver Conference – These monies are provided by the Illinois State Board of Education to hold workshops for individuals involved in programs for students who leave the traditional school program before graduation.

Early Childhood – This program provides workshops to assist teachers working in the area of early childhood development.

State and Federal School Breakfast and Lunch – This program is designed to provide breakfast and lunch at free or reduced prices to eligible students, as determined in accordance with federal and state guidelines, as a healthy start to the school day to enhance the student's learning abilities. All meals provided must meet U.S. Department of Agriculture requirements for servings and nutrition.

System of Support – Grant monies are used to provide professional development activities to schools that are on Illinois' Academic Watch List. To be on the list, students have not made Adequate Yearly Progress for at least two years. The funding sources for this grant are Title I, Title II, and State appropriated monies.

Sangamon County Learning Academy (SCLA) Lunch – These funds were donated to purchase lunches for students at the Sangamon County Learning Academy on days when lunches were not provided or for students in need.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

State & Community Highway Safety – Local Alcohol Prevention (LAP) – The goal of the Local Alcohol Prevention program is to increase public awareness activities and educational opportunities for students as well as residents of Sangamon County. Students of the 18 public and private Sangamon County High Schools become the decision makers and plan the activities for Youth Empowerment, Prevention Day, and Middle School Positive Choices. These representatives are chosen by their schools to represent them at the committee meetings held monthly. This grant provides the ROE the opportunity to educate the community, students, and staff of Sangamon County on the perceptions and attitudes toward drinking and driving.

Learn & Serve America – These funds were awarded to support service-learning programs specifically for at-risk populations of suspended or expelled students participating in the Regional Safe Schools Program.

Title IV – Community Service – This grant partners students with community service projects to enhance learning through service work. This project allowed students from Sangamon County Regional Safe Schools Program to work with the Southeast Branch of Lincoln Library to help enhance their Children’s Reading Room. Funds provided Safe School counseling, supervision, supplies, and materials for the project.

New Principal Mentoring – This program provides for the selection and training of experienced principals to serve as mentors for new principals and for the new principals’ participation in the mentoring program designed for them. Funds flow through the Illinois Principals Association from the Illinois State Board of Education.

Teacher Institute Fund - The Teacher Institute Fund accounts for teacher registration fees. These funds are to be used to defray expenses connected with improving the technology necessary for the efficient processing of certificates as well as any expenses incidental to teacher institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Additionally, the ROE reports the following fund types:

Governmental

Special Revenue Funds - Special Revenue Funds are used to account for the collection and disbursement of earmarked monies. The ROE's nonmajor Special Revenue Funds include the following:

General Education Development (GED) Certificate Fund – Illinois law requires the Regional Superintendent of Schools of each county/counties to administer the GED test. The GED tests are given at Lanphier High School once a month. Testing fees provide for testing materials and staff salaries.

Bus Driver Training Fund – Experienced drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid, prescribed by the Illinois State Board of Education and administered by the ROE.

Supervisory Expenses Fund – This fund was developed by the General Assembly to help support the day-to-day activities of the Regional Superintendent.

General Education Development (GED) Holistic Scoring Fund – The ROE provides scoring services for the written essay portion of the GED tests.

Proprietary

Proprietary funds account for activities whose costs are funded by fees and charges. These fees and charges are paid by external users for goods or services. The ROE utilizes the following proprietary fund:

SDC Workshop Fund – This fund is an enterprise fund established to track revenues received and expenses incurred in offering professional development workshops for teachers and administrators in Sangamon County.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Fiduciary

Fiduciary Funds are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals and private or governmental organizations. The Agency Funds are used to account for assets held by the ROE as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of operations. The ROE's Agency Funds include the following:

Distributive Fund – The Distributive account is used to track the flow-through of monies from the Illinois State Board of Education to recipient Sangamon County schools.

Illinois Education and Technology Conference Fund – The ROE acts as the fiscal agent for this annual conference, which provides an opportunity to discover how educators can be an active part of the information revolution. Funding is derived from registration fees, vendor fees, and sponsorship fees.

Cook County General Education Development (GED) Fund – The ROE acts as the fiscal agent for the General Education Development testing program for the Cook County area. The ROE maintains an office and support staff in the Cook County area.

Sangamon County Learning Academy Fund – This is a self-supporting account that provides services for students at the Sangamon County Learning Academy. Funds are derived from lunch money and registration fees.

Sangamon County Schoolmasters Fund – The Schoolmasters is an organization of all Sangamon County superintendents and school directors. Membership fees are used to provide meetings and seminars for disseminating current information on administration issues.

Director's Conference – The ROE acts as the fiscal agent for the annual Superintendents Conference hosted by the Illinois State Board of Education.

University of Illinois at Springfield (UIS) Roundtable Fund – The ROE acts as the treasurer for the UIS Roundtable. This organization of Sangamon County school administrators meets quarterly to discuss administrative issues. Membership fees provide food and workshop materials.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Fiduciary – Continued

Special Education Non-Public Conference – The ROE acts as the fiscal agent for the Annual Conference on Best Practices and Guidelines for Non-Public Special Education Programs hosted by the Illinois State Board of Education.

Those Who Excel – The ROE acts as the fiscal agent for the annual Teacher of the Year banquet hosted by the Illinois State Board of Education.

Cash and Cash Equivalents

Cash consists of demand deposits. Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. Cash equivalents consist of repurchase agreements.

Investments

Investments are stated at fair value using quoted market prices at June 30, 2008.

Due From Other Governmental Units and Agencies

Due from other governmental units and agencies is reported at gross with no allowance for uncollectibles since management feels the amount of any uncollectible accounts is immaterial.

Capital Assets

Capital assets, which includes equipment, are reported in the governmental activities column in the government-wide financial statements. General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The ROE records all capital items, which are individually greater than \$1,000, with a useful life of greater than one year, as capital assets.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Capital Assets – Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of the equipment is computed using the straight-line method over a five year estimated useful life.

Compensated Absences

Sick pay may be accumulated but does not vest with the employee. Vacation days are calculated on a twelve-month basis and a maximum of five unused vacation days may be carried over to the next year. A liability in the governmental funds is reported only if the benefit has matured.

Fund Equity

In the government-wide financial statements fund equity is displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and related debt.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) outside parties such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets which do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund balance during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

The GASB has issued the following pronouncements effective for the ROE's fiscal year ending June 30, 2008. However, there was no significant impact on the ROE's financial statements as a result of adopting these statements.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing. This Statement also includes a provision that stipulates that governments should not revalue assets that are transferred between financial reporting entity components. In addition to clarifying guidance on accounting for sales and pledges of receivables and future revenues, the Statement requires enhanced disclosures pertaining to future revenues that have been pledged or sold, provides guidance on sales of receivables and future revenues within the same financial reporting entity, and provides guidance on recognizing other assets and liabilities arising from the sale of specific receivables or future revenues.

GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*, which more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 2 – DEPOSITS AND INVESTMENTS

Bank Deposits

The *Illinois Compiled Statutes* authorize the ROE to invest in U.S. Government, State of Illinois, and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds, or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; commercial paper rated within the three highest classifications by at least two standard rating services; credit union shares; and the Illinois Funds.

At June 30, 2008, the government-wide and agency fund's carrying amounts of the ROE's various bank deposits totaled \$1,463,548 and \$154,937, respectively. The bank balances totaled \$1,724,833. Included in the bank balance is \$1,684,712 deposited in repurchase agreements and \$4,117 invested in the Illinois Funds, leaving \$36,004 secured by federal depository insurance.

Custodial Credit Risk - Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the ROE investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the ROE.

Investments

The ROE's investment policy requires that funds should be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. As noted above, the ROE had investments of \$1,684,712 deposited in repurchase agreements and \$4,117 invested in the Illinois Funds.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the ROE will not be able to recover the value of its investments that are in possession of an outside party. However, the securities underlying the repurchase agreements noted above at June 30, 2008 were backed by the U.S. Treasury.

Interest Rate Risk - The ROE's investment policy requires funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2.

Credit Risk - The Illinois Funds (the Fund) is an external investment pool authorized by the Illinois General Assembly. The Fund is exempt from registering with the Securities and Exchange Commission. The Fund is rated by Standard and Poors upon the request of the Fund's management. The most recent money market rating issued by Standard and Poors was AAAM.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

The fair value of the position in the Illinois Funds Investment Pool is the same as the value of the pool shares. Illinois State Statute provides the Illinois State Treasurer with regulatory oversight over the Pool.

NOTE 3 – CAPITAL ASSETS

Governmental Activities

Capital asset activity for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Equipment	\$110,477	\$ 10,066	\$ 4,529	\$ 116,014
Less accumulated depreciation for:				
Equipment	<u>93,217</u>	<u>7,378</u>	<u>4,529</u>	<u>96,066</u>
Total capital assets, net of accumulated depreciation	<u>\$ 17,260</u>	<u>\$ 2,688</u>	<u>\$ -</u>	<u>\$ 19,948</u>

Depreciation was charged to Instructional Services.

NOTE 4 – COMPENSATED ABSENCES

The ROE records a liability associated with compensated absences. During the fiscal year, the amount in this account decreased by \$4,317. At June 30, 2008, the balance in this account was \$5,105.

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Compensated absences	<u>\$ 9,422</u>	<u>\$ 5,105</u>	<u>\$ 9,422</u>	<u>\$ 5,105</u>

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
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June 30, 2008

NOTE 5 - RETIREMENT PLANS

All certified personnel participate in the Teachers' Retirement System of the State of Illinois ("TRS"). All other employees who meet or exceed prescribed annual hourly standards are enrolled in the Illinois Municipal Retirement Fund ("IMRF").

TRS Plan Description

The ROE participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2008 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The member THIS Fund contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the ROE's TRS-covered employees:

- On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the ROE recognized revenue and expenditures of \$103,913 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings were 9.78 percent (\$71,800) and 7.06 percent (\$41,004), respectively.

The ROE makes other types of employer contributions directly to TRS.

- 2.2 formula contributions. Employers contribute .58 percent of total creditable earnings for the 2.2 formula change. Contributions for the year ended June 30, 2008 were \$3,500. Contributions for the years ending June 30, 2007 and June 30, 2006 were \$3,319 and \$2,454, respectively.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 - RETIREMENT PLANS (CONTINUED)

TRS Plan Description (Continued)

- Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the ROE, there is a statutory requirement for the ROE to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$249,034 were paid from federal and trust funds that required employer contributions of \$32,648. For the years ended June 30, 2007 and June 30, 2006, required ROE contributions were \$22,101 and \$9,542, respectively.

- Early Retirement Option. The ROE is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualified for the Pipeline ERO).

Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2008, the ROE paid no amounts to TRS for employer contributions under the ERO program. For the years ended June 30, 2007 and June 30, 2006, the ROE paid \$0 and \$44,870 in employer ERO contributions, respectively.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 - RETIREMENT PLANS (CONTINUED)

TRS Plan Description (Continued)

New Employer Contributions

Public Act 94-0004 added two additional employer contributions to TRS.

- Salary increases over 6 percent – If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in the actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2008, the ROE paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2007 and June 30, 2006, the ROE paid \$0 and \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

- Sick leave in excess of normal allotment – If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008).

For the year ended June 30, 2008, the ROE paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2007 and June 30, 2006, the ROE paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2007. The report for the year ended June 30, 2008 is expected to be available in late 2008. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 - RETIREMENT PLANS (CONTINUED)

Illinois Municipal Retirement Fund - TAOEP

Plan Description. The Truants Alternative & Optional Education Program (TAOEP) is an account of the Education Fund of the ROE. TAOEP's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. TAOEP's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. That report may be obtained on-line at www.imrf.org.

Funding Policy. Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 10.52 percent of annual covered payroll. TAOEP also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For December 31, 2007, TAOEP's annual pension cost of \$45,878 for the regular plan was equal to TAOEP's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 45,878	100%	\$ -
12/31/06	54,760	100%	-
12/31/05	37,461	100%	-

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 - RETIREMENT PLANS (CONTINUED)

Illinois Municipal Retirement Fund - TAOEP (Continued)

depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of TAOEP's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor between the actuarial and market value of assets. TAOEP's plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the plan was 101.52 percent funded. The actuarial accrued liability for benefits was \$514,916 and the actuarial value of assets was \$522,745, resulting in an overfunded actuarial accrued liability (UAAL) of \$7,829. The covered payroll (annual payroll of active employees covered by the plan) was \$436,100 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 6 – ON-BEHALF PAYMENTS

ROE personnel are paid by Sangamon County, Illinois, in accordance with statutes. Employees of programs funded by federal and state grants are paid by the grant funds. Some capital assets used solely by the ROE are purchased by Sangamon County. Ownership of those capital assets remains with Sangamon County and, accordingly, the cost of these assets is not included in the ROE's financial statements.

The salaries, benefits, and TRS contributions of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois. The amounts paid by the State of Illinois are as follows:

Regional Superintendent salary	\$ 105,761
Regional Superintendent benefits (Includes State paid insurance)	14,316
Assistant Regional Superintendent salary	83,457
Assistant Regional Superintendent benefits (Includes State paid insurance)	<u>1,296</u>
Total	<u>\$ 204,830</u>

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 6 – ON-BEHALF PAYMENTS (CONTINUED)

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education.

These awards are included in the financial statements of the General Fund as on-behalf payments. In addition to the \$204,830 above, on-behalf payments include \$103,913 for TRS contributions (which includes \$79,107 in the Education Fund) for other employees for a total of \$308,743 for the year ended June 30, 2008.

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

Funds periodically borrow from other funds to cover temporary cash shortages. These loans are usually paid in full within a few months. No interest is charged on the loans outstanding. Following is a summary of the outstanding amounts due from (to) other funds as of June 30, 2008:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Education Fund	\$ 120,396	\$ 119,798
SDC Workshop Fund	-	598
Total	<u>\$ 120,396</u>	<u>\$ 120,396</u>

NOTE 8 – DUE TO/FROM OTHER GOVERNMENTAL UNITS AND AGENCIES

The Sangamon County Regional Office of Education No. 51's General Fund, Agency Fund and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due From Other Governments:

General Fund:	
Petition fees (various)	\$ 72
Illinois Valley Community College	284
Capital Area Career Center	1,353
GED Scoring (various ROEs)	<u>20,923</u>
Total General Fund	<u>22,632</u>

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 8 – DUE TO/FROM OTHER GOVERNMENTAL UNITS AND AGENCIES
(CONTINUED)

Education Fund:	
Regional Office of Education No. 27	\$ 4,014
Illinois State Board of Education	113,438
Illinois Principals Association	13,500
Background Checks (various)	2,706
Illinois Department of Transportation	2,292
Miscellaneous	<u>383</u>
Total Education Fund	<u>136,333</u>
Non-Major Special Revenue Funds:	
GED scoring vendors (various)	17,257
State of Illinois	<u>1,275</u>
Total Non-Major Special Revenue Funds	<u>18,532</u>
Enterprise Fund:	
SDC Workshop	<u>300</u>
Total	<u>\$ 177,797</u>

Due To Other Governments:

General Fund:	
Illinois State Board of Education	<u>\$ 2,318</u>
Education Fund:	
Illinois State Board of Education	458
Regional Office of Education No. 48	<u>504</u>
Total Education Fund	<u>962</u>
Agency Funds:	
Illinois Education and Technology Conference	70,061
Cook County General Education Development	57,334
Sangamon County Learning Academy	6,770
Sangamon County Schoolmasters	3,747
Director's Conference	7,576
University of Illinois at Springfield Roundtable	3,116
Special Education Non-Public Conference	4,439
Those Who Excel	<u>1,894</u>
Total Agency Funds	<u>154,937</u>
Total	<u>\$ 158,217</u>

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 9 – RISK MANAGEMENT

The ROE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Insurance to cover these risks is provided through Sangamon County. Claims from these risks have not exceeded commercial insurance coverage during the current fiscal year and the previous two fiscal years.

NOTE 10 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances/net assets and funds which overexpended appropriations during the year are required to be disclosed.

A. The following funds/fund accounts had deficit fund balances/net assets at June 30, 2008:

<u>Fund</u>	<u>Amount</u>
General Fund:	
ROE/ISC Operations	\$ 19
Education Fund:	
School Directory	1,230
Area III Homeless Liaison Project	827
Title IV - Community Service	184
SDC Workshop Fund	2,798

NOTE 11 - LEASE OBLIGATIONS

The ROE leases classroom, office, and laboratory space from the Capital Area Career Center. During fiscal year 2008, the ROE leased the space according to four separate lease agreements with 6,333 square feet leased at \$7.00 per square foot, 3,460 square feet leased at \$7.00 per square foot, 1,835 square feet leased at \$7.41 per square foot, and 421 square feet leased at \$7.00 per square foot. The leases all expired on June 30, 2008. The four separate leases were renewed for fiscal year 2009 for 6,333 square feet, 3,460 square feet, 2,105 square feet, and 735 square feet all leased at \$7.25 per square foot. Additionally, the ROE leased office space in Evanston for \$2,022.63 per month during fiscal year 2008. Rent expense for the year ended June 30, 2008 was \$140,276. The lease was renewed for \$2,243.28 per month for fiscal year 2009. The ROE also leases a copier over a 60-month term ending December, 2012, and a phone system over a 48-month term ending August, 2007. Total equipment lease expense for the year ended June 30, 2008 was \$3,045. The remaining future minimum lease payments are:

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 11 – LEASE OBLIGATIONS (Continued)

Year ended June 30,		
2009	\$	122,829
2010		4,320
2011		4,320
2012		4,320
2013 and thereafter		3,222

NOTE 12 - BUDGETS

The following accounts prepare budgets:

ROE/ISC Operations	Title I Reading First
Regional Safe School	Area III Homeless Liaison Project
Transition Outreach Training for Adult Living Program	System of Support
Sangamon County Truants	State & Community Highway Safety
Alternative Optional Education Program	Learn & Serve America

The grant budgets are submitted to grantor agencies for approval and funding; however, no legal budget is required or adopted. A funding agreement is entered into upon approval of the budget by the grantor. Any subsequent budget revisions must be approved by the grantor.

Budgets for the other funds of the ROE are not legally required and have not been prepared. Accordingly, no actual to budget comparison is included in the basic financial statements. The actual to budget comparisons are prepared on the modified accrual basis of accounting. The ROE is required to report, in its financial statements, payments made by the State of Illinois to the Teachers' Retirement System. These "on-behalf" payments of \$14,716, \$31,743, \$22,788 and \$9,860, which were not required to be budgeted, are recorded in the Regional Safe Schools, Sangamon County Truants Alternative and Optional Education Program Fund, Title I – Reading First and System of Support, respectively. These payments were recorded as both revenues and expenditures in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 13 – INTERFUND TRANSFERS

Transfers are used to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds.

	<u>Transfer In</u>	<u>Transfers Out</u>
General Fund:		
Education Fund	\$ <u> -</u>	\$ <u> 1,999</u>
Education Fund:		
General Fund	<u> 1,999</u>	<u> -</u>
Total interfund transfers	<u>\$ 1,999</u>	<u>\$ 1,999</u>

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management's Discussion and Analysis)

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2008

(Unaudited - See Accompanying Independent Auditors' Report)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry (b)	IMRF		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			<u>TAOEP</u>			
			Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		
12/31/2007	\$ 522,745	\$ 514,916	\$ (7,829)	101.52%	\$ 436,100	0.00%
12/31/2006	437,624	501,808	64,184	87.21%	479,929	13.37%
12/31/2005	352,244	408,497	56,253	86.23%	491,611	11.44%

SUPPLEMENTAL INFORMATION

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51

**GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2008**

	<u>Local</u>	<u>Administrative Discretionary</u>	<u>ROE/ISC Operations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 152,621	\$ 208,881	\$ 2,299	\$ 363,801
Due from other governmental units and agencies	<u>1,353</u>	<u>21,279</u>	<u>-</u>	<u>22,632</u>
TOTAL ASSETS	<u><u>\$ 153,974</u></u>	<u><u>\$ 230,160</u></u>	<u><u>\$ 2,299</u></u>	<u><u>\$ 386,433</u></u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 648	\$ 6	\$ -	\$ 654
Due to other governmental units and agencies	<u>-</u>	<u>-</u>	<u>2,318</u>	<u>2,318</u>
Total liabilities	648	6	2,318	2,972
 FUND BALANCE				
Fund balance - unreserved	<u>153,326</u>	<u>230,154</u>	<u>(19)</u>	<u>383,461</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 153,974</u></u>	<u><u>\$ 230,160</u></u>	<u><u>\$ 2,299</u></u>	<u><u>\$ 386,433</u></u>

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51

**GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2008**

	<u>Local</u>	<u>Administrative Discretionary</u>	<u>ROE/ISC Operations</u>	<u>Total</u>
REVENUES				
State sources	\$ -	\$ -	\$ 99,518	\$ 99,518
Local sources	51,848	104,216	-	156,064
Investment income	3,916	7,138	-	11,054
On-behalf payments from State	<u>229,636</u>	<u>-</u>	<u>-</u>	<u>229,636</u>
 Total revenues	<u>285,400</u>	<u>111,354</u>	<u>99,518</u>	<u>496,272</u>
 EXPENDITURES				
Salaries and benefits	-	114,005	63,958	177,963
Purchased services	34,722	42,599	34,234	111,555
Supplies and materials	263	-	1,452	1,715
Capital outlay	12,333	-	-	12,333
On-behalf payments made to State	<u>229,636</u>	<u>-</u>	<u>-</u>	<u>229,636</u>
 Total expenditures	<u>276,954</u>	<u>156,604</u>	<u>99,644</u>	<u>533,202</u>
 Revenues over (under) expenditures	<u>8,446</u>	<u>(45,250)</u>	<u>(126)</u>	<u>(36,930)</u>
 Other financing (uses)				
Transfers out	<u>-</u>	<u>(1,999)</u>	<u>-</u>	<u>(1,999)</u>
 Total other financing (uses)	<u>-</u>	<u>(1,999)</u>	<u>-</u>	<u>(1,999)</u>
 Net change in fund balances	8,446	(47,249)	(126)	(38,929)
 FUND BALANCE, BEGINNING OF YEAR	<u>144,880</u>	<u>277,403</u>	<u>107</u>	<u>422,390</u>
 FUND BALANCE, END OF YEAR	<u>\$ 153,326</u>	<u>\$ 230,154</u>	<u>\$ (19)</u>	<u>\$ 383,461</u>

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
ROE/ISC OPERATIONS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
State sources	\$ 101,812	\$ 101,812	\$ 99,518	\$ (2,294)
Total revenues	<u>101,812</u>	<u>101,812</u>	<u>99,518</u>	<u>(2,294)</u>
EXPENDITURES				
Salaries and benefits	60,174	60,174	63,958	(3,784)
Purchased services	38,170	38,170	34,234	3,936
Supplies and materials	1,300	1,300	1,452	(152)
Capital outlay	<u>2,168</u>	<u>2,168</u>	<u>-</u>	<u>2,168</u>
Total expenditures	<u>101,812</u>	<u>101,812</u>	<u>99,644</u>	<u>2,168</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(126)	<u>\$ (126)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>107</u>	
FUND BALANCE, END OF YEAR			<u>\$ (19)</u>	

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2008

ASSETS	Regional Safe School	Title V - Innovative Program	Transition Outreach Training for Adult Living Program	School Directory	Kindergarten Learning Standards	Preschool For All	Sangamon County Truants Alternative Education Program	Illinois Student Exchange
ASSETS								
Cash and cash equivalents	\$ 521,989	\$ 18	\$ -	\$ -	\$ 604	\$ -	\$ 228,707	\$ 7,258
Due from other governmental units and agencies	-	-	-	-	-	4,014	335	-
Due from other funds	120,396	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 642,385</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604</u>	<u>\$ 4,014</u>	<u>\$ 229,042</u>	<u>\$ 7,258</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ 1,230	\$ -	\$ 3,200	\$ -	\$ -
Accounts payable	182,640	-	-	-	-	814	62,386	-
Deferred revenues	-	-	-	-	-	-	-	-
Due to other governmental units and agencies	-	-	-	-	-	-	458	-
Total liabilities	182,640	-	-	1,230	-	4,014	62,844	-
FUND BALANCE (DEFICIT)								
Fund balance (deficit) - unreserved	459,745	18	-	(1,230)	604	-	166,198	7,258
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 642,385</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604</u>	<u>\$ 4,014</u>	<u>\$ 229,042</u>	<u>\$ 7,258</u>

(Continued)

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2008

ASSETS	Title I Reading First Part B SEA	McKinney Education for Homeless Children	Area III Homeless Liaison Project	Standards Aligned Classroom	Certificate Renewal	Illinois Department of Public Health Dental Sealant	Background Checks	Early School Leaver Conference	Early Childhood
ASSETS									
Cash and cash equivalents	\$ 10	\$ -	\$ -	\$ 16,303	\$ 107	\$ 1,526	\$ 8,707	\$ 1,414	\$ 4,000
Due from other governmental units and agencies	113,438	-	48	-	-	-	2,706	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 113,448</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 16,303</u>	<u>\$ 107</u>	<u>\$ 1,526</u>	<u>\$ 11,413</u>	<u>\$ 1,414</u>	<u>\$ 4,000</u>
LIABILITIES AND FUND BALANCE									
LIABILITIES									
Due to other funds	\$ 112,018	\$ -	\$ 875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,421	-	-	-	-	-	1,222	-	-
Deferred revenues	-	-	-	16,303	-	-	-	-	-
Due to other governmental units and agencies	-	-	-	-	-	-	-	-	-
Total liabilities	113,439	-	875	16,303	-	-	1,222	-	-
FUND BALANCE (DEFICIT)									
Fund balance (deficit) - unreserved	9	-	(827)	-	107	1,526	10,191	1,414	4,000
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 113,448</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 16,303</u>	<u>\$ 107</u>	<u>\$ 1,526</u>	<u>\$ 11,413</u>	<u>\$ 1,414</u>	<u>\$ 4,000</u>

(Continued)

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2008

ASSETS	State & Federal School Breakfast & Lunch	System of Support	Sangamon County Learning Academy Lunch	State & Community Highway Safety - Local Alcohol Prevention (LAP)	Learn & Serve America	Title IV- Community Service	New Principal Mentoring	Total
ASSETS								
Cash and cash equivalents	\$ 3,632	\$ 44,104	\$ 48	\$ -	\$ 4,858	\$ -	\$ 2,130	\$ 845,415
Due from other governmental units and agencies	-	-	-	2,292	-	-	13,500	136,333
Due from other funds	-	-	-	-	-	-	-	120,396
TOTAL ASSETS	<u>\$ 3,632</u>	<u>\$ 44,104</u>	<u>\$ 48</u>	<u>\$ 2,292</u>	<u>\$ 4,858</u>	<u>\$ -</u>	<u>\$ 15,630</u>	<u>\$ 1,102,144</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ 2,291	\$ -	\$ 184	\$ -	\$ 119,798
Accounts payable	-	-	-	-	220	-	12,000	260,703
Deferred revenues	2,135	43,481	-	-	4,600	-	-	66,519
Due to other governmental units and agencies	-	504	-	-	-	-	-	962
Total liabilities	2,135	43,985	-	2,291	4,820	184	12,000	447,982
FUND BALANCE (DEFICIT)								
Fund balance (deficit) - unreserved	1,497	119	48	1	38	(184)	3,630	654,162
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 3,632</u>	<u>\$ 44,104</u>	<u>\$ 48</u>	<u>\$ 2,292</u>	<u>\$ 4,858</u>	<u>\$ -</u>	<u>\$ 15,630</u>	<u>\$ 1,102,144</u>

(Concluded)

See accompanying Independent Auditors' Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2008**

	Regional Safe School	Title V - Innovative Program	Transition Outreach Training for Adult Living Program	School Directory	Kindergarten Learning Standards	Preschool For All	Sangamon County Truants Alternative Optional Education Program	Illinois Student Exchange
REVENUES								
State sources	\$ 458,414	\$ -	\$ -	\$ -	\$ -	\$ 24,560	\$ 557,716	\$ -
Federal sources	-	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	3,475	-
Investment income	15,595	-	-	-	-	-	5,196	-
On-behalf payment from State	14,716	-	-	-	-	-	31,743	-
Total revenues	488,725	-	-	-	-	24,560	598,130	-
EXPENDITURES								
Salaries and benefits	201,507	-	-	-	-	-	446,182	-
Purchased services	223,185	-	-	225	-	23,012	66,366	-
Supplies and materials	11,447	-	-	-	-	1,548	15,426	-
Capital outlay	24,563	-	-	-	-	-	4,306	-
Transfers - payments to other governmental units	-	-	-	-	-	-	-	-
On-behalf payment made to State	14,716	-	-	-	-	-	31,743	-
Total expenditures	475,418	-	-	225	-	24,560	564,023	-
Revenues over (under) expenditures	13,307	-	-	(225)	-	-	34,107	-
Other financing sources (uses)								
Transfers in	-	-	1,179	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	1,179	-	-	-	-	-
Net change in fund balances	13,307	-	1,179	(225)	-	-	34,107	-
FUND BALANCE (DEFICIT)								
BEGINNING OF YEAR	446,438	18	(1,179)	(1,005)	604	-	132,091	7,258
FUND BALANCE (DEFICIT)								
END OF YEAR	\$ 459,745	\$ 18	\$ -	\$ (1,230)	\$ 604	\$ -	\$ 166,198	\$ 7,258

(Continued)

See accompanying Independent Auditors' Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2008**

	Title I Reading First Part B SEA	McKinney Education for Homeless Children	Area III Homeless Liaison Project	Standards Aligned Classroom	Certificate Renewal	Illinois Department of Public Health Dental Sealant	Background Checks	Early School Leaver Conference	Early Childhood
REVENUES									
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	387,460	-	52,337	26,148	-	4,735	-	-	-
Local sources	-	-	-	-	-	-	28,102	-	-
Investment income	-	-	-	-	-	-	-	-	-
On-behalf payment from State	22,788	-	-	-	-	-	-	-	-
Total revenues	410,248	-	52,337	26,148	-	4,735	28,102	-	-
EXPENDITURES									
Salaries and benefits	220,150	-	52,451	-	-	2,484	-	-	-
Purchased services	111,137	-	713	26,082	-	3,233	23,612	-	-
Supplies and materials	56,173	-	-	66	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Transfers - payments to other governmental units	-	-	-	-	-	-	-	-	-
On-behalf payment made to State	22,788	-	-	-	-	-	-	-	-
Total expenditures	410,248	-	53,164	26,148	-	5,717	23,612	-	-
Revenues over (under) expenditures	-	-	(827)	-	-	(982)	4,490	-	-
Other financing sources (uses)									
Transfers in	1	-	866	-	-	-	-	-	-
Transfers out	(46)	-	(1)	-	-	-	-	-	-
Total other financing sources	(45)	-	865	-	-	-	-	-	-
Net change in fund balances	(45)	-	38	-	-	(982)	4,490	-	-
FUND BALANCE (DEFICIT)									
BEGINNING OF YEAR	54	-	(865)	-	107	2,508	5,701	1,414	4,000
FUND BALANCE (DEFICIT)									
END OF YEAR	\$ 9	\$ -	\$ (827)	\$ -	\$ 107	\$ 1,526	\$ 10,191	\$ 1,414	\$ 4,000

(Continued)

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2008

	State & Federal School Breakfast & Lunch	System of Support	Sangamon County Learning Academy Lunch	State & Community Highway Safety - Local Alcohol Prevention (LAP)	Learn & Serve America	Title IV- Community Service	New Principal Mentoring	Total
REVENUES								
State sources	\$ 141	\$ 58,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,098,892
Federal sources	11,583	103,437	-	29,856	6,459	-	-	622,015
Local sources	1,498	-	25	200	-	-	16,250	49,550
Investment income	100	-	-	-	-	-	-	20,891
On-behalf payment from State	-	9,860	-	-	-	-	-	79,107
Total revenues	13,322	171,358	25	30,056	6,459	-	16,250	1,870,455
EXPENDITURES								
Salaries and benefits	-	113,844	-	-	3,450	-	-	1,040,068
Purchased services	13,657	46,771	-	29,878	2,669	-	12,500	583,040
Supplies and materials	-	883	-	-	341	-	120	86,004
Capital outlay	-	-	-	-	-	-	-	28,869
Transfers - payments to other governmental units	-	-	-	-	62	-	-	62
On-behalf payment made to State	-	9,860	-	-	-	-	-	79,107
Total expenditures	13,657	171,358	-	29,878	6,522	-	12,620	1,817,150
Revenues over (under) expenditures	(335)	-	25	178	(63)	-	3,630	53,305
Other financing sources (uses)								
Transfers in	-	100	-	-	-	-	-	2,146
Transfers out	-	(100)	-	-	-	-	-	(147)
Total other financing sources	-	-	-	-	-	-	-	1,999
Net change in fund balances	(335)	-	25	178	(63)	-	3,630	55,304
FUND BALANCE (DEFICIT)								
BEGINNING OF YEAR	1,832	119	23	(177)	101	(184)	-	598,858
FUND BALANCE (DEFICIT)								
END OF YEAR	\$ 1,497	\$ 119	\$ 48	\$ 1	\$ 38	\$ (184)	\$ 3,630	\$ 654,162

(Concluded)

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
REGIONAL SAFE SCHOOL
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State sources	\$ 259,559	\$ 458,414	\$ 198,855
Investment income	-	15,595	15,595
On-behalf payments from State	-	14,716	14,716
	<u>259,559</u>	<u>488,725</u>	<u>229,166</u>
EXPENDITURES			
Salaries and benefits	168,851	201,507	(32,656)
Purchased services	72,198	223,185	(150,987)
Supplies and materials	12,024	11,447	577
Capital outlay	6,486	24,563	(18,077)
On-behalf payments made to State	-	14,716	(14,716)
	<u>259,559</u>	<u>475,418</u>	<u>(215,859)</u>
Net change in fund balance	<u>\$ -</u>	13,307	<u>\$ 13,307</u>
FUND BALANCE, BEGINNING OF YEAR		<u>446,438</u>	
FUND BALANCE, END OF YEAR		<u>\$ 459,745</u>	

See accompanying Independent Auditors' Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
TRANSITION OUTREACH TRAINING FOR ADULT LIVING PROGRAM
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 122,370	\$ -	\$ (122,370)
Total revenues	<u>122,370</u>	<u>-</u>	<u>(122,370)</u>
EXPENDITURES			
Salaries and benefits	60,278	-	60,278
Purchased services	58,092	-	58,092
Supplies and materials	3,000	-	3,000
Capital outlay	1,000	-	1,000
Total expenditures	<u>122,370</u>	<u>-</u>	<u>122,370</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources			
Transfers in	<u>-</u>	<u>1,179</u>	<u>1,179</u>
Total other financing sources	<u>-</u>	<u>1,179</u>	<u>1,179</u>
Net change in fund balance	<u>\$ -</u>	<u>1,179</u>	<u>\$ 1,179</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		<u>(1,179)</u>	
FUND BALANCE, END OF YEAR		<u>\$ -</u>	

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SANGAMON COUNTY TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 270,843	\$ 557,716	\$ 286,873
Local sources	-	3,475	3,475
Investment income	-	5,196	5,196
On-behalf payments from State	-	31,743	31,743
Total revenues	270,843	598,130	327,287
EXPENDITURES			
Salaries and benefits	231,357	446,182	(214,825)
Purchased services	22,800	66,366	(43,566)
Supplies and materials	16,686	15,426	1,260
Capital outlay	-	4,306	(4,306)
On-behalf payments made to State	-	31,743	(31,743)
Total expenditures	270,843	564,023	(293,180)
Net change in fund balance	\$ -	34,107	\$ 34,107
FUND BALANCE, BEGINNING OF YEAR		132,091	
FUND BALANCE, END OF YEAR		\$ 166,198	

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
TITLE I READING FIRST PART B SEA
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 490,250	\$ 387,460	\$ (102,790)
On-behalf payments from State	-	22,788	22,788
Total revenues	490,250	410,248	(80,002)
EXPENDITURES			
Salaries and benefits	232,174	220,150	12,024
Purchased services	133,449	111,137	22,312
Supplies and materials	124,627	56,173	68,454
On-behalf payments made to State	-	22,788	(22,788)
Total expenditures	490,250	410,248	80,002
Revenues over expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	1	(1)
Transfers out	-	(46)	46
Total other financing (uses)	-	(45)	45
Net change in fund balance	\$ -	(45)	\$ 45
FUND BALANCE, BEGINNING OF YEAR		54	
FUND BALANCE, END OF YEAR		\$ 9	

See accompanying Independent Auditors' Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
 AREA III HOMELESS LIAISON PROJECT
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2008**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 52,337	\$ 52,337	\$ -
Total revenues	52,337	52,337	-
 EXPENDITURES			
Salaries and benefits	52,337	52,451	(114)
Purchased services	-	713	(713)
Total expenditures	52,337	53,164	(827)
Revenues (under) expenditures	-	(827)	(827)
Other financing sources (uses)			
Transfers in	-	866	(866)
Transfers out	-	(1)	1
Total other financing sources	-	865	(865)
Net change in fund balance	\$ -	38	\$ (38)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		(865)	
FUND BALANCE (DEFICIT), END OF YEAR		\$ (827)	

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SYSTEM OF SUPPORT
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 58,061	\$ 58,061	\$ -
Federal sources	103,438	103,437	(1)
Local sources	-	-	-
On-behalf payment from State	-	9,860	9,860
Total revenues	161,499	171,358	9,859
EXPENDITURES			
Salaries and benefits	113,845	113,844	1
Purchased services	46,771	46,771	-
Supplies and materials	883	883	-
On-behalf payment made to State	-	9,860	(9,860)
Total expenditures	161,499	171,358	(9,859)
Revenues (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	100	(100)
Transfers out	-	(100)	100
Total other financing sources	-	-	-
Net change in fund balance	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR		119	
FUND BALANCE, END OF YEAR		\$ 119	

See accompanying Independent Auditors' Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
STATE & COMMUNITY HIGHWAY SAFETY - LOCAL ALCOHOL PREVENTION (LAP)
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2008**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 32,100	\$ 29,856	\$ (2,244)
Local sources	-	200	200
Total revenues	32,100	30,056	(2,044)
EXPENDITURES			
Purchased services	32,100	29,878	2,222
Total expenditures	32,100	29,878	2,222
Net change in fund balance	\$ -	178	\$ 178
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		(177)	
FUND BALANCE, END OF YEAR		\$ 1	

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
LEARN & SERVE AMERICA
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 13,000	\$ 6,459	\$ (6,541)
Total revenues	<u>13,000</u>	<u>6,459</u>	<u>(6,541)</u>
EXPENDITURES			
Salaries and benefits	3,000	3,450	(450)
Purchased services	6,950	2,669	4,281
Supplies and materials	3,050	341	2,709
Transfers - payments to other governmental units	<u>-</u>	<u>62</u>	<u>(62)</u>
Total expenditures	<u>13,000</u>	<u>6,522</u>	<u>6,478</u>
Net change in fund balance	<u>\$ -</u>	(63)	<u>\$ (63)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>101</u>	
FUND BALANCE, END OF YEAR		<u>\$ 38</u>	

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2008

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	General Education Development Holistic Scoring	Total
ASSETS					
Cash and cash equivalents	\$ 7,895	\$ 3,065	\$ 1,644	\$ 16,780	\$ 29,384
Due from other governmental units and agencies	1,275	-	-	17,257	18,532
TOTAL ASSETS	\$ 9,170	\$ 3,065	\$ 1,644	\$ 34,037	\$ 47,916
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 1,104	\$ -	\$ -	\$ -	\$ 1,104
Total liabilities	1,104	-	-	-	1,104
FUND BALANCE					
Fund balance - unreserved	8,066	3,065	1,644	34,037	46,812
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,170	\$ 3,065	\$ 1,644	\$ 34,037	\$ 47,916

See accompanying Independent Auditors' Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2008**

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	General Education Development Holistic Scoring	Total
REVENUES					
State sources	\$ -	\$ 1,440	\$ 1,000	\$ -	\$ 2,440
Local sources	23,344	1,773	3,322	61,344	89,783
Total revenues	23,344	3,213	4,322	61,344	92,223
EXPENDITURES					
Salaries and benefits	9,024	-	-	-	9,024
Purchased services	11,249	2,064	5,021	32,706	51,040
Total expenditures	20,273	2,064	5,021	32,706	60,064
Net change in fund balance	3,071	1,149	(699)	28,638	32,159
FUND BALANCE					
BEGINNING OF YEAR	4,995	1,916	2,343	5,399	14,653
FUND BALANCE					
END OF YEAR	\$ 8,066	\$ 3,065	\$ 1,644	\$ 34,037	\$ 46,812

See accompanying Independent Auditors' Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 ALL AGENCY FUNDS
 JUNE 30, 2008**

	<u>Distributive</u>	<u>Illinois Education and Technology Conference</u>	<u>Cook County General Education Development</u>	<u>Sangamon County Learning Academy</u>	<u>Sangamon County Schoolmasters</u>	<u>Director's Conference</u>	<u>University of Illinois at Springfield Roundtable</u>	<u>Special Education Non-Public Conference</u>	<u>Those Who Excel</u>	<u>Total</u>
ASSETS										
Cash and cash equivalents	\$ -	\$ 70,061	\$ 57,334	\$ 6,770	\$ 3,747	\$ 7,576	\$ 3,116	\$ 4,439	\$ 1,894	\$ 154,937
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 70,061</u>	<u>\$ 57,334</u>	<u>\$ 6,770</u>	<u>\$ 3,747</u>	<u>\$ 7,576</u>	<u>\$ 3,116</u>	<u>\$ 4,439</u>	<u>\$ 1,894</u>	<u>\$ 154,937</u>
LIABILITIES										
Due to other governmental units and agencies	\$ -	\$ 70,061	\$ 57,334	\$ 6,770	\$ 3,747	\$ 7,576	\$ 3,116	\$ 4,439	\$ 1,894	\$ 154,937
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 70,061</u>	<u>\$ 57,334</u>	<u>\$ 6,770</u>	<u>\$ 3,747</u>	<u>\$ 7,576</u>	<u>\$ 3,116</u>	<u>\$ 4,439</u>	<u>\$ 1,894</u>	<u>\$ 154,937</u>

See accompanying Independent Auditors' Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash and cash equivalents	\$ 37,738	\$ 120	\$ 37,858	\$ -
LIABILITIES				
Due to primary government	\$ 37,738	\$ 120	\$ 37,858	\$ -
<u>ILLINOIS EDUCATION AND</u> <u>TECHNOLOGY CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 77,664	\$ 123,779	\$ 131,382	\$ 70,061
LIABILITIES				
Due to other governmental units and agencies	\$ 77,664	\$ 123,779	\$ 131,382	\$ 70,061
<u>COOK COUNTY GENERAL</u> <u>EDUCATION DEVELOPMENT</u>				
ASSETS				
Cash and cash equivalents	\$ 70,542	\$ 802,481	\$ 815,689	\$ 57,334
LIABILITIES				
Due to other governmental units and agencies	\$ 70,542	\$ 802,481	\$ 815,689	\$ 57,334

(Continued)

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>SANGAMON COUNTY LEARNING</u>				
<u>ACADEMY</u>				
ASSETS				
Cash and cash equivalents	\$ 9,904	\$ 7,876	\$ 11,010	\$ 6,770
LIABILITIES				
Due to other governmental units and agencies	\$ 9,904	\$ 7,876	\$ 11,010	\$ 6,770
<u>SANGAMON COUNTY</u>				
<u>SCHOOLMASTERS</u>				
ASSETS				
Cash and cash equivalents	\$ 3,605	\$ 3,259	\$ 3,117	\$ 3,747
LIABILITIES				
Due to other governmental units and agencies	\$ 3,605	\$ 3,259	\$ 3,117	\$ 3,747
<u>DIRECTOR'S CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 5,590	\$ 37,340	\$ 35,354	\$ 7,576
LIABILITIES				
Due to other governmental units and agencies	\$ 5,590	\$ 37,340	\$ 35,354	\$ 7,576
<u>UNIVERSITY OF ILLINOIS AT</u>				
<u>SPRINGFIELD ROUNDTABLE</u>				
ASSETS				
Cash and cash equivalents	\$ 4,616	\$ 7,625	\$ 9,125	\$ 3,116
LIABILITIES				
Due to other governmental units and agencies	\$ 4,616	\$ 7,625	\$ 9,125	\$ 3,116

(Continued)

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<u>SPECIAL EDUCATION</u>				
<u>NON-PUBLIC CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 18,100	\$ 13,661	\$ 4,439
LIABILITIES				
Due to other governmental units and agencies	\$ -	\$ 18,100	\$ 13,661	\$ 4,439
 <u>THOSE WHO EXCEL</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 24,807	\$ 22,913	\$ 1,894
LIABILITIES				
Due to other governmental units and agencies	\$ -	\$ 24,807	\$ 22,913	\$ 1,894
 <u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 209,659	\$ 1,025,387	\$ 1,080,109	\$ 154,937
LIABILITIES				
Due to other governmental units and agencies	\$ 171,921	\$ 1,025,267	\$ 1,042,251	\$ 154,937
Due to primary government	37,738	120	37,858	-
Total liabilities	\$ 209,659	\$ 1,025,387	\$ 1,080,109	\$ 154,937

(Concluded)

FEDERAL COMPLIANCE SECTION

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st Eight Digits) or Contract #</u>	<u>Federal Expenditures July 1, 2007 through June 30, 2008</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Illinois Department of Transportation:			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (State and Community Highway Safety)		AL8-0084-112	\$ 19,994
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (State and Community Highway Safety)		AL7-0084-022	9,862
Total Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		<u>29,856</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Illinois State Board of Education:			
School Breakfast Program		08-4220-00	3,185
School Breakfast Program		07-4220-00	559
School Breakfast Program		06-4220-00	640
Total School Breakfast Program	10.553		<u>4,384</u>
National School Lunch Program		08-4210-00	4,451
National School Lunch Program		07-4210-00	888
National School Lunch Program		06-4210-00	1,860
Total National School Lunch Program	10.555		<u>7,199</u>
U.S. DEPARTMENT OF EDUCATION			
Passed through Two Rivers Professional Development Center:			
Title I - Grants to Local Educational Agencies (Standards Aligned Classroom Project)		08-4331-01	26,148
Title I - Grants to Local Educational Agencies (System of Support)		08-4331-01	102,337
Total Title I - Grants to Local Educational Agencies	84.010A		<u>128,485</u>
Passed through Hancock/McDonough ROE #26:			
Education for Homeless Children and Youth (McKinney Education for Homeless Children)	84.196	08-4920-00	<u>52,337</u>
Passed through Two Rivers Professional Development Center:			
Improving Teacher Quality State Grants (System of Support)	84.367A	08-4935-99	<u>1,100</u>

(Continued)

The accompanying notes are an integral part of this schedule.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st Eight Digits) or Contract #</u>	<u>Federal Expenditures July 1, 2007 through June 30, 2008</u>
U.S. DEPARTMENT OF EDUCATION - CONTINUED			
Passed through Illinois State Board of Education:			
Title I - Reading First Part B SEA Funds		08-4337-00	\$ 277,948
Title I - Reading First Part B SEA Funds		08-4337-04	109,512
(M) Total Title I - Reading First Part B SEA Funds	84.357A		<u>387,460</u>
Passed through Illinois State Board of Education:			
Learn & Serve America		08-4910-00	4,022
Learn & Serve America		07-4910-00	2,437
Total Learn & Serve America	94.004		<u>6,459</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Illinois Department of Public Health:			
Maternal and Child Health Services Block Grant to States (Illinois Department Public Health Dental Sealant)	93.994	83480175	<u>4,735</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 622,015</u></u> (Concluded)

(M) Audited as a major program

The accompanying notes are an integral part of this schedule.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2008

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Sangamon County Regional Office of Education No. 51 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 - SUBRECIPIENTS

The Sangamon County Regional Office of Education No. 51 did not make any payments to subrecipients.

NOTE 3 - DESCRIPTIONS OF FEDERAL PROGRAMS AUDITED AS A MAJOR PROGRAM

The major federal program of the Sangamon County Regional Office of Education No. 51 is the Title I – Reading First Part B SEA Funds (CFDA #84.357A). This program is designed to plan and implement Reading First Academies and provide professional development for teachers in schools that are participating in the Reading First program.

NOTE 4 - NON-CASH ASSISTANCE

The Sangamon County Regional Office of Education No. 51 did not receive any Federal awards involving non-cash assistance with continuing compliance requirements.

NOTE 5 - AMOUNT OF INSURANCE

The Sangamon County Regional Office of Education No. 51 did not receive any Federal awards involving insurance with continuing compliance requirements.

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

The Sangamon County Regional Office of Education No. 51 did not receive any Federal awards involving loans or loan guarantees with continuing compliance requirements.